

AM7001
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E & R AMENDMENTS TO LB 118

1 1. Strike the original sections and all amendments
2 thereto and insert the following new sections:

3 "Section 1. Section 87-705, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 87-705. (1) A supplier shall be deemed to have good
6 cause to terminate, cancel, or not renew a dealer agreement when a
7 dealer:

8 (a) Has transferred a controlling interest in the
9 dealership without the supplier's consent;

10 (b) Has made a material misrepresentation to the
11 supplier;

12 (c) Has filed a voluntary petition in bankruptcy or has
13 had an involuntary petition in bankruptcy filed against it which
14 has not been discharged within sixty days after the filing, is in
15 default under a security agreement in effect with the supplier, or
16 is insolvent or in receivership;

17 (d) Has been convicted of a crime punishable by a term of
18 imprisonment for one year or more;

19 (e) Has failed to operate in the normal course of
20 business for seven consecutive business days or has terminated
21 business;

22 (f) Has relocated its place of business without the
23 supplier's consent;

24 (g) Has consistently engaged in business practices which

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1 are detrimental to the consumer or supplier by way of excessive
2 pricing, misleading advertising, or failure to provide service and
3 replacement parts or perform warranty obligations;

4 (h) Has inadequately represented the supplier over a
5 measured period causing lack of performance in sales or service or
6 warranty areas and has failed to achieve market penetration at
7 levels consistent with similarly situated dealerships based on
8 available record information;

9 (i) Has consistently failed to meet building and
10 housekeeping requirements or has failed to provide adequate sales,
11 service, or parts personnel commensurate with the dealer agreement;

12 (j) Has consistently failed to comply with the applicable
13 licensing laws pertaining to the products and services being
14 represented for the supplier and on the supplier's behalf; or

15 (k) Has consistently failed to substantially comply with
16 essential and reasonable requirements imposed by the dealer
17 agreement, but only if that requirement is also generally imposed
18 upon similarly situated dealers in Nebraska.

19 (2) Except when good cause exists as provided in
20 subdivisions (1)(a) through (f) of this section, a supplier shall
21 give a dealer ninety days' written notice of the supplier's intent
22 to terminate, cancel, or not renew a dealer agreement. The notice
23 shall state all reasons constituting good cause for termination,
24 cancellation, or nonrenewal and shall provide that the dealer has
25 sixty days from receipt of the notice in which to cure any claimed
26 deficiency, except that the dealer shall have one year from receipt
27 of the notice to cure a deficiency described in subdivision (1)(h)

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1 of this section.

2 (3) If a supplier has contractual authority to approve or
3 deny a request for a sale or transfer of a dealership or an equity
4 ownership interest in a dealership, the supplier shall neither
5 unreasonably deny nor unreasonably withhold its response to such a
6 request. The dealer's request shall include reasonable financial
7 information, personal background information, character references,
8 and work histories for each acquiring person. If a supplier denies
9 a request made pursuant to this subsection, the supplier shall
10 provide the dealer with a written notice of such denial that states
11 the reasons for denial.

12 Sec. 2. Original section 87-705, Reissue Revised
13 Statutes of Nebraska, is repealed.".